

EXHIBIT 22

SHAWANGUNK CORRECTIONAL FACILITY
M E M O R A N D U M

TO: George Glassanos, Esq.
FROM: R. Creen, Steward/*R. H. Martin*
SUBJ: Rockland Vending
DATE: May 14, 2007

Attached is copy of original Contract with Rockland Vending. We have exercised our two one-year extensions.. Let me know if you need any additional information.

12. TERMINATION:

For Cause:

As per the "Vendor Responsibility Disclosure" clause and/or "Termination (For Cause)" in Appendix B, General Specifications, the Facility reserves the right to terminate a contract by providing ten (10) days written notification to the Contractor.

For Convenience:

As per "Termination (For Convenience)" in Appendix B, General Specifications, the Facility reserves the right to cancel this contract, in whole or in part without reason provided that the Contractor is given at least thirty (30) days notice of its intent to cancel. Any such cancellation shall have no effect on existing Agency Agreements, which are subject to the same 30 day discretionary cancellation or cancellation for cause by the respective user Agencies.

For Violation of the Sections 139-j and 139-k of the State Finance Law:

As per "Termination (For Violation of State Finance Law)" in Appendix B, General Specifications, the Facility reserves the right to terminate a contract by providing ten (10) days written notification to the Contractor.

For Violation of Revised Tax Law 5a:

As per "Termination (For Violation of Tax Law 5a)" in Appendix B, General Specifications, the Facility reserves the right to terminate a contract by providing ten (10) days written notification to the Contractor.

13. SUSPENSION OF WORK

The Facility may order the Contractor, in writing, to suspend performance of all or any part of the work for a reasonable period of time as determined by the agency. The order shall contain the reason or reasons for issuance which may include but shall not be limited to the following:

Latent field conditions, substantial program revisions, civil unrest, acts of God.

Upon receipt of a Suspension Order, the Contractor shall, as soon as practicable, cease performance of the work as ordered and take immediate affirmative measures to protect such work from loss or damage.

The Contractor specifically agrees that a suspension, interruption, or delay of the performance of the work pursuant to this proposal shall not increase the cost of performance of the work of this contract.

8. CONTRACT PERIOD

The term of this contract shall be for a three (3) year period commencing 02/01/03 and ending 01/31/06. Upon mutual agreement, and subject to the approval of the Office of the State Comptroller, this contract may be extended for two (2) additional one-year periods, specifically, 02/01/06 through 01/31/07, and 02/01/07 through 01/31/08.

9. SELLING PRICE INCREASES

The Contractor may, with the consent of the Facility, request selling price increases on an annual basis at least 45 days prior to the requested effective date of the increased prices. Request for price increases must be supported by sufficient documentation that clearly outlines related cost increases incurred by the Contractor during the past 12 months. The Department reserves the right to reject any such request for reasonable cause, and any resulting disagreement will be processed in accordance with Section 15 - Disputes.

10. INSURANCES

The successful bidder agrees that without expenses to the State, it will procure, and will maintain, until final acceptance by the New York State Department of Correctional Services (Department) of the work covered by this proposal and the contract, insurance of the kinds, and in amounts hereinafter provided, in the insurance companies authorized to do such business in the State of New York, covering all operations under this Contract, whether performed by itself or by subcontractors. Before commencing the work, the successful bidder shall furnish to the Department, a certificate or certificates, in satisfactory form. Certificates shall state that the policy shall not be changed or canceled until thirty (30) days written notice has been given to the Department and approved by same.

a.) A policy covering the obligations of the successful bidder in accordance with the provisions of Chapter 41, Laws of 1914, as amended, known as the Worker's Compensation Law, and the contract, shall be void, and of no effect unless the

successful bidder procures such policy, and maintains it until acceptance of the work.

b.) Policies of Bodily Injury Liability and Property Damage Liability Insurance covering the types hereinafter specified, each with limits of liability of not less than \$100,000 for all damages arising out of bodily injury, including death at any time resulting thereof sustained by one person in any one accident, and subject to that limit for that person not less than \$300,000 for all damages arising out of bodily injury, including death at any time resulting thereof sustained by two or more persons in any one accident, and not less than \$25,000 for all damages arising out of injury to or destruction of property during the policy period.

c.) Contractors' liability insurance issued to, and covering the liability of the successful bidder with respect to all work performed by him under this proposal and the contract.

Protective Liability Insurance issued to, and covering the liability of the People of the State of New York with respect to all operations under this proposal and the contract, by the successful bidder or by his subcontractor, including omissions and supervisory acts of the State. The same monetary limits as set forth in 10b hereof are required.

11. MODIFICATIONS OR WITHDRAWAL OF PROPOSAL

Permission will be given to modify or explain by letter, telegram, or other written notice, any proposal or bid at any time prior to the bid opening. Bids may be withdrawn or canceled before the time designated for opening such bids publicly.

12. TERMINATING FOR CAUSE

If, in the judgment of the Department, the contractor fails or refuses to perform the work in accordance with the Contract or is failing to complete the work within the time provided by the Contract, the Department may take over the work and complete it by contract publicly let or otherwise and may take possession of and utilize in completing the work such of the contractor's materials, equipment, and plant as may be on the site of the work. Whether or not the right to terminate is exercised, the contractor shall be liable for any damage to the State resulting from its failure or refusal to complete the work in accordance with the contract or its failure to complete the work within the time provided by the Contract.

The Contract shall not be so terminated, nor the Contractor charged with resulting damage if:

The delay in completion of the work arises from unforeseen causes beyond the control and without the fault or negligence of the Contractor including but not restricted to acts of God, acts of public enemies, acts of the State in either its sovereign or contractual capacity, acts of another contractor in the performance of a contract with the State, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, unusually severe weather or delays of subcontractors or suppliers arising from unforeseeable causes beyond the control and without the fault or negligence of both the Contractor and subcontractors or suppliers. The Contractor shall notify the Facility in writing of the causes of delay within ten (10) days from the date when the contractor knew or ought to have known of any such delay.

The Facility will ascertain the facts and the extent of the delay and extend the time for completing the work when, in its judgment, the findings of fact justify such an extension, and the findings of fact shall be final and conclusive on the parties, subject to appeal as provided in these general conditions.

VENDING MACHINE SERVICES
DETAILED SPECIFICATIONS

1. FACILITY shall give CONTRACTOR the exclusive right to install, operate and service the automated vending machine dispensing of food, beverages, snacks, candy, etc., at designated locations.

2. FACILITY shall provide space, water, electrical outlets, and plumbing as reasonably necessary for the efficient operation of Vending Machine Services in the designated areas of the facility.

3. CONTRACTOR shall install automatic vending machine equipment for the dispensing of specified items at each designated location on the premises of the FACILITY. Equipment installed must be of such type and quantity as mutually agreed to by the parties, and shall meet the following specifications:

- (a) All equipment must be of modern design and technology.
- (b) All equipment shall be of similar construction and color as to provide a uniform and pleasing appearance.
- (c) All equipment must be maintained in good operating condition. Any vending machine that malfunctions three times in any 60 day period must be repaired to the satisfaction of the FACILITY, or otherwise replaced at the CONTRACTOR'S expense.
- (d) All equipment is to be maintained in a clean and sanitary condition by regular cleanings, but no less than once weekly.
- (e) All vending machines shall be equipped with coin mechanisms accepting any combination of nickels, dimes, quarters, and dollar bills.
- (f) Vending machines installed shall meet the specifications of type, capacity and quantity as outlined in "ATTACHMENT 1", unless amended by a mutual agreement of both parties.

4. CONTRACTOR shall install all equipment at its own expense, and no change in, or exchange of, equipment will be made by the CONTRACTOR without the written approval of the FACILITY. Installation shall be made promptly and carefully, and in such a manner as to minimize Facility inconvenience. Installation of additional equipment due to need or desire may be negotiated with the FACILITY.

5. All vending machines are to be replenished by CONTRACTOR as required, but no less than 5 times: Monday, Wednesday, Friday, Saturday and Sunday _____. CONTRACTOR shall rotate foods to ensure freshness.

6. CONTRACTOR shall comply with all applicable State and Local health codes, rules and regulations, and report all cited deficiencies immediately to FACILITY.

7. CONTRACTOR shall service and maintain all equipment on a scheduled basis and keep a record of such maintenance. Maintenance records for any or all vending machines and cafeteria equipment must be made available to the FACILITY upon request. CONTRACTOR must repair any malfunctioning equipment within 24 hours of notification from FACILITY, except that if notified during regular FACILITY business hours, CONTRACTOR must be on-site to make repairs within three hours of such notification.

8. Whenever vending machines are installed or replaced, or at a minimum of once annually, the CONTRACTOR shall provide FACILITY with an inventory of all vending machines operating on FACILITY property. This inventory shall include the following information: (a) type of machine; (b) exact location; (c) manufacturer's make/model; (d) year manufactured; and (e) serial number.

9. FACILITY will take normal and expected precautions to safeguard the CONTRACTOR'S vending machines and equipment. However, any loses incurred in the operation of the vending machines due to theft, fire, accidental damage, vandalism, spoilage, etc., will be the responsibility of the CONTRACTOR.

10. CONTRACTOR shall provide and pay for an adequate number of bonded personnel to provide for the efficient services necessary to meet the terms and conditions of this AGREEMENT. Personnel employed by the CONTRACTOR shall be provided with uniforms or other mutually agreeable means of visual identification. Such personnel shall be and remain solely in the employ of the CONTRACTOR, and shall not be deemed agents or employees of the State of New York, Department of Correctional Services or the FACILITY.

11. CONTRACTOR submitting this bid agrees to furnish and service the vending machines and other equipment as specified in "ATTACHMENT 1". The CONTRACTOR further consents to charge the unit prices listed in "ATTACHMENT 1". Commissions are based on gross sales of all products offered in all vending machines located on the premises of the FACILITY. Gross sales shall be defined as all moneys collected from each machine during the terms of the AGREEMENT, except that all deposits required by law can be subtracted from the gross sales of all applicable products. Payment of commissions must be made monthly by the 10th of the following month.

12. CONTRACTOR shall maintain adequate accounting procedures and detailed records of its operation pursuant to this AGREEMENT. CONTRACTOR shall permit any authorized representative of FACILITY, the Department of Correctional Services, or the Office of the State Comptroller, to inspect any or all records relating to this AGREEMENT.

13. The CONTRACTOR shall furnish food, beverages, snacks, candy, etc., which shall satisfy the stated minimum quality, brand, minimum quantity, or portion size as prescribed in "ATTACHMENT 1", and shall not exceed the selling prices quoted in CONTRACTOR'S formal bid response for a period of one year from the commencement of this AGREEMENT. All items bid per "ATTACHMENT 1" must be offered and available in the prescribed at a minimum of 80% of the time. CONTRACTOR will be permitted to negotiate price increases after the first year for any items for which actual cost increases can be substantiated by sufficient documentation presented to the FACILITY. CONTRACTOR must obtain approval in writing from the FACILITY before implementing any price changes on the vending machines.

14. CONTRACTOR agrees to pay the FACILITY 15% of total gross sales by the 10th of the following month. This payment shall include a detailed explanation per machine of the previous month's meter reading, current month's meter reading, machine number and location. Commissions for all machines located in the Visiting Room shall be paid by separate check made payable to Shawangunk Correctional Facility Occupational Therapy Account and detailed explanation.

15. CONTRACTOR agrees to pay the FACILITY a monthly space rental fee for each vending machine based on the following criteria:

• Free-standing-machine/storage lockers	\$5.00 per month
• Machine requiring any utilities	\$8.00 per month

The monthly space fee will be paid to the FACILITY by the 10th of the following month. This payment shall be made separately from the monthly commission payments. Microwave ovens and bill changing machines are exempt from the monthly space rental fee.

16. CONTRACTOR is required to install a minimum of 18 vending machines in the type and location prescribed below:

Visiting Room

(1) Soda Machine /juice
(1) Hot Drinks
(1) Candy/Snack
(2) Sandwich/Cold Food
(2) Bill Changers
(2) Microwaves

Employee Cafeteria - Administration Building

(2) Cold Drinks (Soda and Juice)
(1) Hot Drinks
(1) Candy/Snack
(1) Sandwich/Cold Food
(1) Bill Changer
(1) Microwave

Front Entry - Administration Building

(1) Cold Drinks (Soda and Juice)
(1) Candy/Snack

IN WITNESS WHEREOF, the parties hereto have executed or approved this AGREEMENT on the dates below their signatures.

CONTRACTOR

Rockland Vending Co.
By: Michael Freed
Title: President
Printed Name
Date: 10/23/2002

Contract No. X680037

STATE AGENCY: Shawangunk C.F.

Department of Correctional Services

By: Edward W. Deutsch
EDWARD W. DEUTSCH
Printed Name
Title: STEWARD
Date: 11/6/02

State Agency Certification:

"In addition to the acceptance of this contract, I also certify that original copies of this signature page will be attached to all other exact copies of this contract."

STATE OF NEW YORK)
COUNTY OF Rockland) ss.:
)

On the 23 day of October, 2002, before me personally appeared Michael Freed, to me known, who being by me duly sworn, did depose and say that he/she resides at 11 Debaun Ave, that he/she is the President of the corporation described herein which executed the foregoing instrument; and that he/she signed his/her name thereto by order of the board of directors of said corporation.

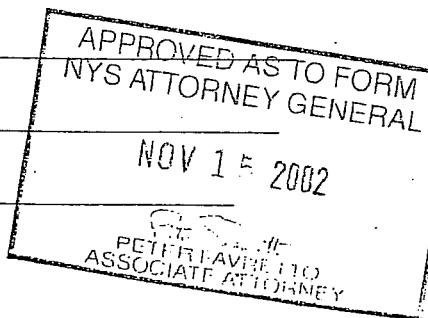
(Notary) Theresa Sinecki

THERESA SINOCCHIO
NOTARY PUBLIC
STATE OF NY
1/31/06
NO. 4C92115

QUALIFIED IN ROCKLAND COUNTY

ATTORNEY GENERAL

Title:



STATE COMPTROLLER

Title:

Date:



<u>STATE AGENCY</u> (Name and Address): NYS Dept. of Correctional Services SHAWANGUNK CORRECTIONAL FACILITY PO BOX 750, QUICK ROAD WALLKILL, NEW YORK 12589	<u>NYS COMPTROLLER'S NUMBER:</u> <u>ORIGINATING AGENCY CODE:</u> 10680
<u>CONTRACTOR</u> (Name and Address): <i>Rockland Vending Co. 1 Sustar Ave Chester N.Y. 10918</i>	<u>TYPE OF SERVICES:</u> Vending Machine Services
<u>INITIAL CONTRACT PERIOD:</u> FROM: February 01, 2003 TO: January 31, 2006	<u>FUNDING AMOUNT FOR INITIAL PERIOD:</u> N/A - Revenue Contract
<u>STATUS:</u> Contractor is a (X) for () not for profit corporation.	<u>RENEWALS:</u> Two additional one-year periods
<u>EXHIBITS ATTACHED AND PART OF THIS AGREEMENT:</u>	
EXHIBIT A: Standard Clauses as Required by the Attorney General for all State contracts.	
EXHIBIT B: Invitation For Bid	
EXHIBIT C: Detailed Specifications	
EXHIBIT D: Bid Tabulation	

<u>STATE AGENCY</u> (Name and Address): NYS Dept. of Correctional Services SHAWANGUNK CORRECTIONAL FACILITY PO BOX 750, QUICK ROAD WALLKILL, NEW YORK 12589	<u>NYS COMPTROLLER'S NUMBER:</u> <u>ORIGINATING AGENCY CODE:</u> 10680
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INVITATION FOR BIDS
FOR
VENDING MACHINE SERVICES

AGENCY: Shawangunk Correctional Facility
PO Box 750, Quick Road
Wallkill, New York 12589

BID PROPOSAL NO. X680037

BID OPENING DATE: Monday - November 04, 2002

TIME: 10:00 am

LOCATION: Business Office

GENERAL CONDITIONS

1. SCOPE OF WORK

This Invitation For Bids (IFB) is issued to invite interested parties to submit a formal bid for the awarding of a contract for Vending Machine Services for the Shawangunk Correctional Facility. The Contractor agrees to provide all labor, materials, equipment and services necessary for providing the prescribed services at the Shawangunk Correctional Facility in accordance with this IFB and the attached Detailed Specifications.

2. ISSUING AGENCY/OFFICER

The issuing Agency and Officer, as named below, is the sole point of contact for the State of New York and Department of Correctional Services for matters relating to this IFB:

AGENCY: Shawangunk Correctional Facility
PO Box 750, Quick Road
Wallkill, NY 12589

OFFICER: Edward Deutsch, Institution Steward
Telephone: (845) 895-2081 Ext. 3100